

CAPITOL OFFICE  
STATE CAPITOL  
ROOM 4061  
SACRAMENTO, CA 95814  
TEL (916) 651-4020  
FAX (916) 651-4920

DISTRICT OFFICES  
11760 CENTRAL AVENUE  
SUITE 100  
CHINO, CA 91710  
TEL (909) 591-7016  
FAX (909) 591-7096

464 WEST 4TH STREET  
SUITE 454B  
SAN BERNARDINO, CA 92401  
TEL (909) 888-5360  
FAX (909) 591-7096

# California State Senate

SENATOR  
**CONNIE M. LEYVA**  
TWENTIETH SENATE DISTRICT



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HEALTH

May 20, 2019

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Honorable Rudy Salas  
Chair, Joint Legislative Audit Committee  
1020 N Street, Room 107  
Sacramento, CA 95814

## **Re: Audit of California Department of Housing and Community Development on Mobilehome Communities**

Dear Chair Salas and Members of the Committee,

I respectfully request that the Joint Legislative Audit Committee approve an audit of the California Department of Housing and Community Development (HCD) and their division of code and standards. California is in a severe housing crisis requiring more options for housing, yet a critical option for affordable housing through manufactured homes is at risk of disappearing. Mobilehome parks that are not inspected fall in severe disrepair, risk the public health of their residents and face the consequence of closing and displacing its residents. The department must work more efficiently to ensure it is not duplicating state resources and fees when it can be done through better coordination or reorganization. The Mobilehome Park Act (MPA) and the Mobilehome Park Maintenance (MPM) Inspection Program were created to inspect homes and parks. The current statutes require 5% of parks to be inspected every year under the MPM, while the MPA is only a complaint driven program. Each of these statutes create a separate inspection with very limited ability to coordinate which could lead to duplication of effort. The safety of the public is clearly at risk when the agency can only meet the minimum statutory requirement.

During the 2019 annual statutory MPM Taskforce Meeting, mobilehome park owners and mobilehome owners have expressed both significant frustration and concerns for the lack of inspections and the promptness of inspections to address health and safety issues. Furthermore, the Mobilehome Assistance Center is budgeted for only two full time equivalent employees to answer questions for all of California's mobilehome residents. The MPM is set to sunset on January 1, 2024. This statute has been extended four previous times since its inception in 1999. This audit would inform the Legislature before the next sunset review and give the agency ample time to respond to the audit findings prior to reauthorizing legislation.

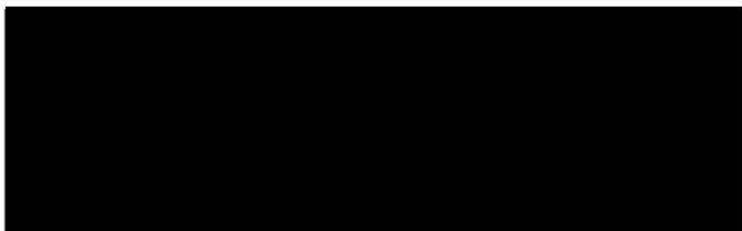
With over 5,000 mobilehome parks and nearly 2 million mobilehome residents in California, the MPM program is crucial in maintaining the quality of life for these residents. During the 2018 MPM task force meeting, HCD identified inadequate gas meters, accumulation of combustible materials, and exposed live electrical parts as top violations against mobilehomes and mobilehome parks. HCD reported that it only has 45 inspectors available to inspect some of the most dangerous mobilehome parks. HCD is also inspecting mobilehome parks from local jurisdictions that have relinquished their local authority without collecting property revenue to cover the cost of inspection. This could be affecting the agency's ability to achieve its statutory responsibility with the additional inspections. For these reasons, it is essential to identify how HCD is operating the MPM and MPA inspections, and if it is the most effective method to protect the health and safety of mobilehome residents.

Due to the upcoming sunset of the program and review by the Legislature, I am requesting priority status for this audit. Below are questions we request the state auditor to consider:

1. Provide and assess the following information regarding MPM and MPA inspections over the past three years:
  - a. The number and frequency of parks inspected under MPM and MPA, and whether applicable goals and requirements are being met.
  - b. The number of hours spent on a selection of individual inspections.
  - c. The percentage of inspectors' time devoted to a selection of MPM inspections, as opposed to other inspection work.
  - d. Review the budget for department staffing regarding MPM and MPA inspections.
2. Identify and assess the department's processes and policies for selecting which parks will be inspected each year, including but not limited to the various factors considered by the department.
3. Review and evaluate the department's processes and practices related to inspecting parks. This review and assessment should include, but not be limited to, the following:
  - a. To the extent practical, determine the quality of inspections, including the adequacy of the time taken to conduct an MPA or MPM inspection and what the inspection entails.
  - b. Describe and evaluate the methods used by the inspectors during inspections, including any checklist or guides they use; methods of recording findings, including photography; and what evidence and records are reviewed and gathered.
4. Determine what is done to ensure inspectors are neutral and preserve the appearance of neutrality during their inspections. Determine the extent to which park management and/or park residents join inspectors during inspections and whether that is appropriate.

5. Determine whether there are any additional efficiencies that can be realized by the department in conducting MPM and MPA inspections. Is there additional coordination between the two programs and inspections that can result in any benefits or efficiencies?
6. Provide and assess the following information regarding the department's inspectors who inspect the parks under MPA and MPM:
  - a. Identify and assess the number of inspectors conducting inspections under MPA and MPM, and assess their workload.
  - b. Identify and assess the inspectors' qualifications and ongoing training. Determine whether the department is ensuring compliance.
  - c. Identify and analyze how the department allocates inspectors between MPA and MPM inspections. Determine whether the same inspectors who perform MPA inspections also perform MPM inspections.
  - d. Determine and evaluate how individual inspectors are assigned to conduct inspections (e.g., geographic proximity, expertise).
7. Review the adequacy and appropriateness of notices connected to the inspection process and upcoming inspections.
8. Identify and assess how much time is provided to park residents and management to cure any violation. Assess what occurs when a park resident or management does not cure a violation, and recommend any ideas that would increase the rate of violations being cured.
9. Review and evaluate follow up visits made to parks by inspectors to ensure compliance. This review should include but not be limited to the following:
  - a. How often are follow up visits by inspectors made to the park.
  - b. Are follow up visits considered part of MPM or MPA inspections.
  - c. Which violations are followed up on.
  - d. When are inspections and violations deemed concluded.
10. Evaluate the availability of inspections records to the public.

Thank you for your consideration of this audit request. If you have any questions, please do not hesitate to contact me or Eric Guerra, Consultant of the Senate Select Committee on Manufactured Home Communities.



Connie M. Leyva  
California State Senator, 20<sup>th</sup> District